Investor Pitch - Handwritten Notes

1. What is an investor pitch?

An investor pitch is a short and convincing presentation made by an entrepreneur to explain a business idea to investors. Its purpose is to attract their interest and persuade them to invest money in the business.

2. What is pitch deck presentation?

A pitch deck presentation is a set of slides used by a start-up to present its business idea in a structured way. It usually explains the problem, solution, product, market, business model, financials and funding requirement.

3. Why is investor pitch important for start-ups?

Investor pitch is important for start-ups because it helps them:

1. explain the business idea clearly,
2. create a good first impression,
3. attract investors and funding,
4. build trust and credibility,
5. show growth potential,
6. communicate the value of the product or service,
7. gain support, mentorship and business connections.

Investor Pitch - Handwritten Notes

4. What things should be included in a pitch deck?

A pitch deck should include the following main points:

1. Title and company introduction
2. Problem statement
3. Proposed solution
4. Product or service description
5. Market opportunity and target customers
6. Business model or revenue model
7. Competitive advantage / USP
8. Marketing and sales strategy
9. Team details
10. Financial projections
11. Funding requirement and use of funds
12. Future growth plan

5. What is USP of a product?

USP stands for Unique Selling Proposition. It is the special feature, benefit or quality that makes a product different from and better than competing products. A strong USP helps attract customers and gives the product a clear identity in the market.

Main points:

- shows uniqueness of the product
- highlights customer benefit
- differentiates from competitors
- helps in marketing and branding
- increases customer interest

Conclusion:

A good investor pitch and pitch deck help a start-up present its idea effectively and convince investors to support the business.

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SWOT and USP – Handwritten Notes

1. What is the full form of SWOT?

Answer:

SWOT stands for Strengths, Weaknesses, Opportunities and Threats.

- Strengths: internal positive points of a business.
- Weaknesses: internal limitations or problems.
- Opportunities: external chances for growth and success.
- Threats: external risks or challenges that may harm the business.

2. What do you mean by USP of a product?

Answer:

USP means Unique Selling Proposition. It is the special feature, quality or benefit that makes a product different from other products in the market. It tells customers why they should choose that product over competitors.

Main points of USP:

1. Shows uniqueness of the product.
2. Highlights customer benefit.
3. Differentiates the product from competitors.
4. Helps in marketing and branding.

3. Why is USP important for a start-up?

Answer:

USP is important for a start-up because it helps the business stand out in the market. It attracts customers by offering something different and valuable. It builds a strong brand identity and trust among customers. It increases sales and helps the start-up face competition effectively.

Importance of USP:

1. Creates a unique identity.
2. Helps attract customers.
3. Differentiates the start-up from competitors.
4. Builds brand value and trust.
5. Supports marketing and promotion.
6. Increases chances of sales and growth.

4. Write challenges faced by start-ups.

Answer:

Start-ups face many difficulties in their early stage.

Main challenges:

1. Lack of capital or funding.
2. Strong market competition.
3. Difficulty in finding customers.
4. Lack of experience and skilled team.
5. Uncertain market demand.
6. Legal and regulatory compliances.
7. Problems in marketing and brand awareness.
8. Technology and operational issues.
9. Cash flow management problems.
10. Risk of failure and business uncertainty.

Conclusion:

A strong USP helps a start-up grow and compete successfully, but start-ups must overcome many challenges to survive and succeed.

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Working Capital - Handwritten Notes

1. Write short note on Working Capital.

Answer:

Working capital is the amount of money needed for the day-to-day operations of a business. It is the difference between current assets and current liabilities.

Formula:

$$\boxed{\text{Working Capital} = \text{Current Assets} - \text{Current Liabilities}}$$

Current assets include cash, stock, debtors and short-term receivables.

Current liabilities include creditors, short-term loans and outstanding expenses.

A business needs working capital to buy raw materials, pay wages, pay electricity bills, meet transport expenses and run daily activities smoothly.

Main points:

1. It is short-term capital used in daily business operations.
2. It helps maintain regular production and sales.
3. It ensures timely payment of routine expenses.
4. It shows the short-term financial health of the business.
5. Too little working capital creates difficulty in operations.
6. Excess working capital may mean idle funds.

2. What is working capital?

Answer:

Working capital is the capital used to meet the short-term needs of a business. In simple words, it is the money available for carrying out everyday business activities.

3. Why is working capital important for business?

Answer:

Working capital is important because it helps the business run smoothly and continuously.

Importance of working capital:

1. It helps purchase raw materials and goods.
2. It helps pay wages and salaries on time.
3. It helps meet day-to-day operating expenses.
4. It improves liquidity of the business.
5. It helps maintain goodwill by paying creditors on time.
6. It avoids interruption in production and sales.
7. It supports business growth and smooth functioning.

Profit and Working Capital – Handwritten Notes

4. State the difference between Gross Profit and Net Profit.

Answer:

Gross Profit and Net Profit are both measures of profit, but they are calculated at different stages.

	Gross Profit	Net Profit
1. Meaning	It is the profit earned after deducting the cost of goods sold from sales.	It is the final profit earned after deducting all expenses, interest, taxes and other indirect costs.
2. Formula	Gross Profit = Sales − Cost of Goods Sold	Net Profit = Gross Profit − Operating expenses − Interest − Taxes and other indirect expenses
3. Expenses deducted	Only the cost of goods sold (direct expenses).	Operating expenses, interest, taxes and other indirect expenses.
4. Stage of calculation	Calculated immediately after sales.	Calculated at the end of the accounting period.
5. Purpose	To know how much profit is earned from core business activities.	To know the overall success and true financial performance of the business.
6. Amount	Usually higher than net profit.	Usually lower than gross profit.
7. Indication	Shows efficiency in production and cost control.	Shows overall profitability and financial health.
8. Example	If sales are $50,000 and cost of goods sold is $30,000, Gross Profit = $20,000.	If Gross Profit is $20,000 and operating expenses are $8,000, interest is $1,000 and tax is $2,000, Net Profit = $9,000.

Gross profit shows the profit from core trading activities, whereas net profit shows the actual final profit of the business.

Quick recap:

- Working capital is needed for daily operations.
- Gross profit is calculated before indirect expenses.
- Net profit is the final profit after all expenses.

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Business Exit Strategy - Handwritten Notes

1. What is business exit strategy?

Answer:

A business exit strategy is a plan for how the owner or entrepreneur will leave the business and recover value from it. It explains the method by which the owner can transfer ownership, sell the business, merge with another firm, or close the business in an orderly way. It is important because it helps the entrepreneur plan the future and reduce risk.

2. List four exit strategies.

Answer:

Four common exit strategies are:

1. Initial Public Offering (IPO)
2. Merger and Acquisition
3. Management Buyout
4. Liquidation

3. What is Initial Public Offering, IPO?

Answer:

Initial Public Offering (IPO) is the process by which a private company offers its shares to the public for the first time and becomes a public company. Through IPO, the business can raise large capital from investors and existing owners may partially or fully exit.

Main points:

- shares are offered to public
- company becomes publicly listed
- helps raise capital
- may provide exit opportunity to founders and investors

Business Exit Strategy - Handwritten Notes

4. State features of mergers and acquisitions as exit strategy.

Answer:

Mergers and acquisitions are common exit strategies in which one company combines with or is purchased by another company. In a merger, two companies join together to form a larger business. In an acquisition, one company buys another company.

Main features:

1. ownership is transferred to another company
2. founders or owners may exit fully or partly
3. helps business get larger market, technology or resources
4. payment may be in cash, shares or both
5. may increase business value
6. requires legal and financial agreement

5. Discuss pros and cons of IPO.

Answer:

Pros of IPO:

1. raises large amount of capital
2. improves public image and credibility
3. provides liquidity to founders and investors
4. helps future expansion

Cons of IPO:

1. process is costly and time-consuming
2. strict legal and disclosure requirements
3. ownership and control may reduce
4. pressure from public shareholders
5. risk of market fluctuations

Thus, IPO can be beneficial, but it also brings cost, regulation and public pressure.

Business Exit Strategy - Handwritten Notes

6. What is liquidation?

Answer:

Liquidation is the process of closing a business and selling its assets to pay debts and liabilities. After paying creditors, any remaining amount is distributed to the owners.

Main points:

- business is closed
- assets are sold
- debts are paid
- remaining money goes to owners

7. What is management buyout?

Answer:

Management buyout is an exit strategy in which the existing managers of a company purchase the business from its owners. In this way, control of the business remains with the management team.

Main points:

- business is bought by existing managers
- ownership changes, but management stays similar
- helps smooth continuation of business

8. When a company is purchased by another company, what is it called?

Answer:

When a company is purchased by another company, it is called an acquisition or takeover.

Quick recap of exit strategies: IPO, merger and acquisition, management buyout, and liquidation.

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Entrepreneurship – Short Questions and Answers

1. Define Entrepreneurship.

Answer:

Entrepreneurship is the process of identifying a business opportunity, organizing resources, taking risk, and starting or managing an enterprise to earn profit and create value.

2. Who is an Entrepreneur?

Answer:

An entrepreneur is a person who starts, organizes, and runs a business by taking risk, making decisions, and combining resources such as land, labour, capital, and management.

3. Who is an Intrapreneur?

Answer:

An intrapreneur is an employee of an organization who behaves like an entrepreneur and develops new ideas, products, or processes by using the resources of that organization.

Entrepreneurship – Short Questions and Answers

4. Difference between Entrepreneur and Manager.

Answer:

Basis	Entrepreneur	Manager
1. Meaning	Owner and creator of business	Person who manages the business
2. Risk	Bears full business risk	Does not bear full business risk
3. Objective	Starts and grows the business	Achieves organizational goals
4. Innovation	Brings new ideas and changes	Implements plans and policies
5. Reward	Earns profit	Gets salary and incentives
6. Authority	Has full decision-making power	Works within given authority

Conclusion: An entrepreneur creates the business and takes risk, whereas a manager runs the business efficiently within the organization.

5. Difference between Entrepreneur and Intrapreneur.

Answer:

Basis	Entrepreneur	Intrapreneur
1. Meaning	Starts own business	Works entrepreneurially inside an organization
2. Ownership	Owner of the business	Employee of the organization
3. Risk	Bears full business risk	Bears limited risk; company bears major risk
4. Resources	Uses own or borrowed resources	Uses organization's resources
5. Freedom	Has full independence	Works under company rules and policies
6. Reward	Gets profit and business growth	Gets salary, bonus, and recognition

Conclusion: Both are innovative, but an entrepreneur works independently while an intrapreneur works within an existing organization.

6. Write the characteristics/features of a successful entrepreneur.

Answer:

A successful entrepreneur generally has the following characteristics:

1. Vision - sees future opportunities.
2. Creativity and innovation - develops new ideas.
3. Risk-taking ability - is ready to face uncertainty.
4. Self-confidence - believes in own decisions.
5. Leadership - guides and motivates others.
6. Decision-making ability - takes timely decisions.
7. Hard work - works sincerely and continuously.
8. Perseverance - does not give up easily.
9. Good communication skill - expresses ideas clearly.
10. Adaptability - adjusts to changes in business.

7. Write three competencies of an entrepreneur.

Answer:

1. Opportunity seeking competency.
2. Decision-making and problem-solving competency.
3. Leadership and organizing competency.

8. What is the primary function of an entrepreneur?

Answer:

The primary function of an entrepreneur is to identify business opportunities and combine resources to start, organize, and run an enterprise by taking risk for profit and growth.

Types of Entrepreneurs – Handwritten Notes

1. Explain different types of entrepreneurs.

Answer:

Entrepreneurs can be classified in different ways. A common classification is based on their approach toward innovation and business change. The main types are:

1. Innovative Entrepreneur
2. Adoptive or Imitative Entrepreneur
3. Fabian Entrepreneur
4. Drone Entrepreneur

Short explanation:

- Innovative entrepreneur introduces new ideas, new products or new methods.
- Adoptive entrepreneur copies or adopts ideas that are already successful.
- Fabian entrepreneur is very cautious and adopts change only when it becomes unavoidable.
- Drone entrepreneur refuses to change even when the business is suffering.

2. What is Innovative Entrepreneur?

Answer:

An Innovative Entrepreneur is a person who introduces new ideas, products, services, methods of production or markets. Such an entrepreneur is creative, forward-looking and willing to take risk. He or she plays an important role in economic development by bringing innovation into business.

Main points:

1. Introduces new ideas.
2. Uses creativity and innovation.
3. Takes risk for growth.
4. Improves products and services.
5. Helps in economic development.

3. What is Adoptive Entrepreneur?

Answer:

An Adoptive Entrepreneur, also called an Imitative Entrepreneur, is one who adopts or copies successful ideas and techniques already used by others. This type of entrepreneur does not create a new idea first, but applies existing ideas in a better or suitable way.

Main points:

1. Follows successful business ideas.
2. Adopts existing technology or methods.
3. Less risky than innovative entrepreneur.
4. Helps spread business ideas to new areas.
5. Suitable where new invention is difficult.

Types of Entrepreneurs - Handwritten Notes

4. What is Fabian Entrepreneur?

Answer: A Fabian Entrepreneur is a person who is very cautious and skeptical about adopting new ideas or methods. This entrepreneur changes only when it becomes absolutely necessary and when there is a clear danger of loss if change is not accepted.

Main points:

1. Very careful and slow in decision-making.
2. Does not accept change quickly.
3. Adopts innovation only when necessary.
4. Tries to avoid risk.
5. Acts after seeing strong proof or pressure.

5. What is Drone Entrepreneur?

Answer: A Drone Entrepreneur is a person who refuses to adopt new methods, ideas or technology even when the business is losing profit or facing problems. Such an entrepreneur follows old practices and resists change.

Main points:

1. Opposes change.
2. Continues old methods.
3. Ignores new opportunities.
4. Faces risk of business decline.
5. Least progressive type of entrepreneur.

6. Which entrepreneurship is not classified on the basis of ownership?

Answer: Innovative, Adoptive (Imitative), Fabian and Drone entrepreneurship are not classified on the basis of ownership. These are classified on the basis of the entrepreneur's attitude toward innovation and change.

Note: Entrepreneurship classified on the basis of ownership includes private entrepreneurship, public or state entrepreneurship, joint entrepreneurship and cooperative entrepreneurship.

Conclusion: Different types of entrepreneurs show different attitudes toward innovation. Among them, the innovative entrepreneur is the most progressive, while the drone entrepreneur is the least progressive.

Small Business Ownership – Handwritten Notes

1. What are the various types of ownership in small business?

Answer:

The main types of ownership in small business are:

1. Sole Proprietorship
2. Partnership
3. Joint Hindu Family Business
4. Co-operative Society
5. Joint Stock Company

2. Explain Sole Proprietorship.

Answer:

Sole Proprietorship is the simplest form of business ownership. It is a business owned, managed and controlled by one person. The owner provides capital, takes all decisions, bears all risks and enjoys the entire profit. It is easy to start and suitable for small-scale business.

3. Write features of Sole Proprietorship.

Answer:

The important features of Sole Proprietorship are:

1. Single owner – the business is owned by one person only.
2. Easy formation – it can be started easily with few legal formalities.
3. Full control – the owner has complete control over decisions.
4. Unlimited liability – the owner is personally responsible for all debts.
5. Entire profit to owner – all profit belongs to the proprietor.
6. Secrecy – business matters can be kept private.
7. Quick decisions – decisions can be taken quickly without consultation.

4. Write advantages and disadvantages of Sole Proprietorship.

Answer:

The main advantages and disadvantages of Sole Proprietorship are:

Advantages:

1. Easy to form and close – very few legal formalities are needed.
2. Full control – the proprietor takes all decisions independently.
3. Quick decision-making – decisions can be made without delay.
4. Direct motivation – the owner gets the entire profit.
5. Business secrecy – important matters can be kept confidential.
6. Personal contact with customers – it helps in better service.

Disadvantages:

1. Unlimited liability – the owner is personally responsible for all losses and debts.
2. Limited capital – funds are usually limited to the owner's resources.
3. Limited managerial ability – one person may not be expert in every area.
4. Lack of continuity – the business may stop due to death, illness or insolvency of the owner.
5. Heavy workload – all responsibilities fall on one person.

Conclusion: Sole Proprietorship is suitable for small businesses because it is simple and flexible, but it also has some limitations.

5. State basic characteristics of Partnership firms.

Answer:

The basic characteristics of a Partnership firm are:

1. Two or more persons – partnership requires at least two persons.
2. Agreement – it is formed by an agreement among partners.
3. Lawful business – the business must be legal.
4. Profit sharing – partners agree to share profit and loss.
5. Mutual agency – every partner can act on behalf of the firm and other partners.
6. Unlimited liability – partners are personally liable for business debts.
7. Good faith – partnership is based on trust, honesty and cooperation.
8. Registration – registration is not compulsory in all cases, but it is desirable.

6. Write short note on Joint Stock Company.

Answer:

A Joint Stock Company is a voluntary association of persons formed to carry on business. It has a separate legal entity apart from its members. Its capital is divided into shares, and the liability of shareholders is usually limited. It has perpetual succession, so the company continues even if members change. It is managed by a Board of Directors and is suitable for large-scale business.

Main features:

1. Separate legal entity
2. Limited liability
3. Perpetual succession
4. Transferability of shares
5. Large capital

7. Differentiate between Public Limited Company and Private Limited Company.

Answer:

Basis	Public Limited Company	Private Limited Company
1. Minimum members	7	2
2. Maximum members	No maximum limit	Maximum 200 members
3. Transfer of shares	Shares are freely transferable	Transfer of shares is restricted
4. Invitation to public	Can invite public to buy shares	Cannot invite public to buy shares
5. Issue of prospectus	Usually issues a prospectus	Prospectus is not required
6. Name	Ends with Ltd.	Ends with Pvt. Ltd.
7. Stock exchange listing	Can be listed on stock exchange	Normally not listed on stock exchange

Conclusion: A Public Limited Company is suitable for raising capital from the public, while a Private Limited Company is suitable for closely held business with more control and privacy.

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2. Highlight main features of a start-up.

Answer:

The main features of a start-up are:

1. Innovation – it is based on a new idea, product or service.
2. Growth potential – it aims for fast growth and expansion.
3. Risk and uncertainty – it faces high market and financial risk.
4. Limited resources – it usually starts with small capital and a small team.
5. Flexibility – it can quickly adapt to changes in the market.
6. Problem-solving approach – it tries to solve a customer problem effectively.
7. Technology driven – many start-ups use technology as a key tool.

3. What are the different types of start-up ventures?

Answer:

The common types of start-up ventures are:

1. Small business start-ups – local businesses started for regular income.
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7. Discuss government initiatives to boost start-up ventures in India.

Answer:

The Government of India has taken many steps to promote start-ups, encourage innovation and create employment. Some important initiatives are:

1. Start-up India – a flagship initiative launched to support innovation and entrepreneurship.
2. DPIIT recognition – recognized start-ups get various benefits and easier compliance.
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6. Easier patent support – fast-track patent filing and lower fees help protect innovation.
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A start-up should choose the most suitable source of finance based on its size, idea, risk level and growth needs.

4. Discuss problems faced by start-up businesses.

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Business Opportunity – Handwritten Notes

1. What is a business opportunity?

Answer:

A business opportunity is a favourable situation in the market where a person can start a business by providing a product or service to satisfy customer needs and earn profit. It arises when there is demand, a problem to solve, or an unmet need in the market.

2. What is a promising business idea?

Answer:

A promising business idea is an idea that has good chances of success because it is practical, useful, profitable and accepted by the market. It solves a real problem, meets customer demand and has growth potential.

3. Explain the process of identifying business opportunity.

Answer:

The process of identifying business opportunity involves the following steps:

1. Observe the market and society carefully.
2. Identify customer needs, problems and unsatisfied demands.
3. Generate business ideas from those needs.
4. Collect information about competitors, customers and trends.
5. Analyze the feasibility of the idea.
6. Check availability of resources such as capital, skill and technology.
7. Evaluate risks and profit potential.
8. Select the best opportunity and plan for implementation.

Business Opportunity – Handwritten Notes

4. What is market opportunity?

Answer:

Market opportunity refers to the scope or chance available in the market for selling a product or service successfully. It exists when there is enough demand, suitable customers and the possibility of earning profit by meeting their needs.

5. What is Blue Ocean Strategy?

Answer:

Blue Ocean Strategy is a business strategy in which a company creates a new market space with little or no competition. Instead of fighting with competitors, the business focuses on innovation, value creation and attracting new customers.

Main points of Blue Ocean Strategy:

1. Creates uncontested market space.
2. Makes competition irrelevant.
3. Focuses on innovation and value.
4. Attracts new demand.
5. Aims at growth and profit together.

6. What is Red Ocean Strategy?

Answer:

Red Ocean Strategy is a business strategy in which firms compete in an existing market where many competitors are already present. The business tries to increase its market share by competing on price, quality, promotion and other factors.

Main points of Red Ocean Strategy:

1. Competes in existing market space.
2. Faces strong competition.
3. Tries to beat rivals.
4. Focuses on existing demand.
5. Competition may reduce profit margins.

Conclusion:

Blue Ocean Strategy is about creating a new market with less competition, whereas Red Ocean Strategy is about competing in an existing crowded market.

Feasibility Study – Handwritten Notes

1. Why is feasibility study required?

Answer: A feasibility study is required to check whether a business idea is practical and worth starting. It helps an entrepreneur understand the chances of success before investing money, time and effort. It reduces risk by examining important factors such as cost, market demand, technology, location and legal conditions. It also helps in proper planning and decision-making.

2. Explain different types of feasibility study.

Answer: The main types of feasibility study are:

1. Economic feasibility – checks cost, profit and financial viability.
2. Technical feasibility – checks availability of technology, machinery, skill and resources.
3. Market feasibility – checks customer demand, competition and market size.
4. Operational feasibility – checks whether the business can run smoothly in practice.
5. Legal feasibility – checks laws, rules, licenses and government regulations.
6. Environmental feasibility – checks the effect of the business on the environment.
7. Locational feasibility – checks whether the selected location is suitable for the business.

3. Which things should an entrepreneur check before starting a start-up?

Answer: Before starting a start-up, an entrepreneur should check:

1. Demand for the product or service.
2. Availability of capital and finance.
3. Technical knowledge and resources.
4. Market competition.
5. Location suitability.
6. Legal requirements and registrations.
7. Availability of raw materials and labour.
8. Risk involved and profit potential.
9. Environmental impact.
10. Future growth opportunity.

6. What is environmental feasibility?

Answer: Environmental feasibility means checking the effect of a business on the environment. It examines whether the business may cause pollution, waste, noise or damage to natural resources. It also checks whether the project follows environmental laws and whether it is safe and sustainable.

Main points:

1. Effect on air, water and land.
2. Waste management.
3. Pollution control.
4. Use of natural resources.
5. Compliance with environmental rules.
6. Safety and sustainability.

7. What is locational feasibility study?

Answer: Locational feasibility study means examining whether the chosen location is suitable for starting the business. A good location helps in easy availability of raw materials, labour, transport, customers and other facilities. It also affects cost, convenience and future growth of the business.

Factors considered in locational feasibility:

1. Nearness to market.
2. Availability of raw materials.
3. Labour supply.
4. Transport and communication.
5. Cost of land or building.
6. Power and water supply.
7. Government rules and local support.
8. Scope for expansion.

Conclusion: A proper feasibility study helps an entrepreneur choose the right business idea and reduce the chances of failure.

Feasibility Study – Handwritten Notes

4. What is economic feasibility?

Answer: Economic feasibility refers to checking whether a business is financially practical and profitable. It studies the estimated cost, expected revenue, profit, investment required and payback. It helps an entrepreneur know whether the project can give enough return and whether the available funds are sufficient.

Main points:

1. Initial investment required.
2. Cost of production and operation.
3. Expected sales and revenue.
4. Profitability of the business.
5. Return on investment.
6. Availability of finance.

5. What is technical feasibility?

Answer: Technical feasibility means checking whether the required technology, machinery, equipment, skills and resources are available for the business. It shows whether the entrepreneur can produce the product or service efficiently with the available technical support.

Main points:

1. Availability of machines and tools.
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3. Which things should an entrepreneur check before starting a start-up?

Answer: Before starting a start-up, an entrepreneur should check:

1. Demand for the product or service.
2. Availability of capital and finance.
3. Technical knowledge and resources.
4. Market competition.
5. Location suitability.
6. Legal requirements and registrations.
7. Availability of raw materials and labour.
8. Risk involved and profit potential.
9. Environmental impact.
10. Future growth opportunity.

Feasibility Study - Handwritten Notes

6. What is environmental feasibility?

Answer: Environmental feasibility means checking the effect of a business on the environment. It examines whether the business may cause pollution, waste, noise or damage to natural resources. It also checks whether the project follows environmental laws and whether it is safe and sustainable.

Main points:

1. Effect on air, water and land.
2. Waste management.
3. Pollution control.
4. Use of natural resources.
5. Compliance with environmental rules.
6. Safety and sustainability.

7. What is locational feasibility study?

Answer: Locational feasibility study means examining whether the chosen location is suitable for starting the business. A good location helps in easy availability of raw materials, labour, transport, customers and other facilities. It also affects cost, convenience and future growth of the business.

Factors considered in locational feasibility:

1. Nearness to market.
2. Availability of raw materials.
3. Labour supply.
4. Transport and communication.
5. Cost of land or building.
6. Power and water supply.
7. Government rules and local support.
8. Scope for expansion.

Conclusion: A proper feasibility study helps an entrepreneur choose the right business idea and reduce the chances of failure.

Feasibility Study – Handwritten Notes

4. What is economic feasibility?

Answer: Economic feasibility refers to checking whether a business is financially practical and profitable. It studies the estimated cost, expected revenue, profit, investment required and payback. It helps an entrepreneur know whether the project can give enough return and whether the available funds are sufficient.

Main points:

1. Initial investment required.
2. Cost of production and operation.
3. Expected sales and revenue.
4. Profitability of the business.
5. Return on investment.
6. Availability of finance.

5. What is technical feasibility?

Answer: Technical feasibility means checking whether the required technology, machinery, equipment, skills and resources are available for the business. It shows whether the entrepreneur can produce the product or service efficiently with the available technical support.

Main points:

1. Availability of machines and tools.
2. Suitable technology and process.
3. Skilled labour and technical knowledge.
4. Availability of raw materials.
5. Production capacity and quality control.
6. Maintenance and technical support.

Business Plan – Handwritten Notes

1. What is a business plan?

Answer:

A business plan is a written document that explains the goals of a business and how those goals will be achieved. It describes the nature of the business, products or services, target market, organization, finance, and future plans. It acts as a roadmap for starting and managing the business.

2. What is the primary objective of a business plan?

Answer:

The primary objective of a business plan is to provide clear direction for the business. It helps the entrepreneur plan activities, use resources properly, reduce risk, and present the business idea clearly to investors, banks, or other stakeholders.

3. Write contents of a typical business plan.

Answer:

The main contents of a typical business plan are:

1. Executive summary
2. Business description
3. Objectives of the business
4. Products or services offered
5. Market analysis
6. Marketing and sales plan
7. Operational plan
8. Organization and management structure
9. Financial plan
10. Risk analysis and future growth plan

Business Plan – Handwritten Notes

4. Which part of a business plan describes organization structure?

Answer:

The part of a business plan that describes the organization structure is the "Organization and Management" section. This section explains the ownership pattern, organizational structure, key people, duties and responsibilities, and management team of the business.

5. Explain the importance of a business plan.

Answer:

The importance of a business plan is as follows:

1. It gives clear direction to the business.
2. It helps in setting goals and strategies.
3. It is useful for getting loans or investor support.
4. It helps in proper use of resources.
5. It reduces uncertainty and risk.
6. It helps in decision-making and control.
7. It improves coordination among business activities.
8. It helps measure business performance and future growth.

6. What is business planning?

Answer:

Business planning is the process of deciding the goals of a business and preparing plans to achieve those goals. It involves analyzing opportunities, selecting strategies, arranging resources, and preparing a proper business plan for successful operation and growth.

Conclusion:

A business plan is an important tool that helps an entrepreneur start, manage, and grow a business in a systematic way.

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Legal Compliance for Start-ups and Small Enterprises – Handwritten Notes

1. Is it necessary to follow tax-related compliance for start-ups?

Answer:

Yes, it is necessary. Every start-up must follow tax-related compliance to operate legally and avoid penalties. Tax compliance helps the business maintain proper records, build trust, claim benefits and continue smooth operations.

Main tax compliances:

1. Obtain PAN for the business.
2. Obtain TAN if tax is to be deducted at source.
3. Register under GST if applicable.
4. Issue proper invoices and maintain accounts.
5. File Income Tax Return on time.
6. File GST returns and pay GST on time, wherever applicable.
7. Deduct and deposit TDS, if applicable.
8. Comply with audit and other statutory requirements, when applicable.

2. Explain legal requirements and compliances for establishing a small enterprise in India.

Answer:

The main legal requirements and compliances are:

1. Select the form of business – proprietorship, partnership, LLP or company.
2. Register or incorporate the business with the proper authority.
3. Obtain PAN, and TAN if required.
4. Obtain GST registration if applicable.
5. Open a current bank account in the business name.
6. Obtain Udyam registration if the enterprise is an MSME.
7. Obtain local registrations such as Shop and Establishment registration or trade licence, as required by the state or local body.
8. Obtain sector-specific licences such as FSSAI for food business, IEC for import-export, pollution clearance, fire licence, drug licence, etc., if applicable.
9. Follow labour law and employee-related compliance where employees are engaged.
10. Maintain books of account, invoices and statutory records.
11. Follow tax filings, annual filings and other ongoing legal compliances.

Note: Some compliances depend on the nature, size and location of the business.

3. List legal requirements for establishing a new business.

The legal requirements generally include:

1. Business name selection.
2. Choice of ownership form.
3. Registration or incorporation.
4. PAN and TAN.
5. GST registration, if applicable.
6. Business bank account.
7. Udyam registration for MSME benefits.
8. Trade licence / Shop and Establishment registration.
9. Sector-specific licence or NOC, if required.
10. Labour law registration and compliance, if employees are appointed.
11. Environmental and safety approvals, wherever needed.
12. Regular tax filing and maintenance of records.

4. What documents are required for registration and incorporation?

The commonly required documents are:

1. Aadhaar card of proprietor / partners / directors.
2. PAN card of proprietor / partners / directors.
3. Passport-size photographs.
4. Mobile number and e-mail ID.
5. Address proof of owners or directors.
6. Registered office address proof.
7. Latest electricity bill / utility bill of office address.
8. Rent agreement and NOC from owner, if the premises are rented.
9. Partnership deed, LLP agreement or Memorandum and Articles of Association, as applicable.
10. Digital Signature Certificate (DSC) for company / LLP incorporation.
11. Identity and consent documents of partners / directors.
12. Bank details and other declarations, if required.

Additional documents may be required depending on the type of business and licence.

5. What legal requirement is necessary for establishing a new business unit in India?

Answer:

To establish a new business unit in India, an entrepreneur should ensure the following essential legal requirements:

1. Proper registration or incorporation of the business.
2. PAN for the business and TAN where required.
3. GST registration if the business is liable under GST law.
4. Proof of business address and lawful possession of the premises.
5. Trade licence / local body permission, where required.
6. Registration under Shop and Establishment Act, where applicable.
7. Udyam registration for micro, small and medium enterprises.
8. Industry-specific approvals such as FSSAI, pollution NOC, fire NOC, factory licence, IEC, etc., depending on the activity.
9. Compliance with labour laws when workers or employees are hired.
10. Compliance with income tax, GST and TDS provisions.
11. Maintenance of accounts, bills, vouchers and statutory records.

Conclusion:

A new business unit in India must satisfy registration, tax, local licence and sector-specific compliance requirements. The exact legal requirements depend on the nature of the enterprise, but legal compliance is necessary for safe and lawful business operation.

Important

Start-ups may also apply for DPIIT recognition to get Startup India benefits, if eligible.

Quick Revision – Ongoing Compliance

After registration, a start-up or small enterprise should continue to comply with:

1. Income tax return filing.
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4. Proper bookkeeping and record maintenance.
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6. Renewal of licences and registrations.
7. Employee-related compliance such as EPF / ESIC, if applicable.
8. Following environmental, safety and local authority rules.

Therefore, following legal and tax compliance is necessary for every start-up and small enterprise in India. It helps avoid legal problems, improves credibility and supports long-term growth.

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Therefore, following legal and tax compliance is necessary for every start-up and small enterprise in India. It helps avoid legal problems, improves credibility and supports long-term growth.

MSME – Handwritten Notes

1. What do you know about MSME?

Answer:

MSME refers to Micro, Small and Medium Enterprises. These are small business units that play an important role in production, services, exports, innovation and employment generation. In India, MSMEs support economic growth and help new entrepreneurs and start-ups build businesses with limited resources.

2. What is the full form of MSME?

Answer:

MSME stands for "Micro, Small and Medium Enterprises".

3. What are the different types of MSME?

Answer:

The different types of MSME are:

1. Micro Enterprise
2. Small Enterprise
3. Medium Enterprise

Current classification in India:

- Micro Enterprise – investment in plant and machinery or equipment not more than Rs. 2.5 crore and annual turnover not more than Rs. 10 crore.
- Small Enterprise – investment not more than Rs. 25 crore and annual turnover not more than Rs. 100 crore.
- Medium Enterprise – investment not more than Rs. 125 crore and annual turnover not more than Rs. 500 crore.

4. Why is MSME registration helpful for start-ups?

Answer:

MSME registration is helpful for start-ups because it gives official recognition and helps them access government support. It improves credibility and makes it easier to get loans, subsidies, scheme benefits and business opportunities. It also supports growth during the early stage of the business.

MSME – Handwritten Notes

5. Explain process and benefits of MSME registration.

Answer:

The process of MSME registration in India is done online through Udyam Registration. The basic steps are:

1. Visit the official Udyam Registration portal.
2. Enter Aadhaar number and verify it.
3. Complete PAN verification.
4. Fill enterprise details such as name of business, type of organization, address, bank details, main activity, and plant or unit details.
5. Enter information related to investment and annual turnover.
6. Submit the form online.
7. After successful submission, a permanent Udyam Registration Number is generated.
8. An e-certificate is issued online.

Important points:

- There is no need for renewal of Udyam Registration.
- One enterprise should have only one Udyam Registration.
- Manufacturing and service activities can both be added in one registration.

Benefits of MSME registration:

1. Official recognition as an MSME.
2. Easier access to government schemes.
3. Better chances of getting bank loans and credit support.
4. Eligibility for subsidy and incentive schemes.
5. Easier participation in government tenders and procurement.
6. Support for technology upgradation, quality improvement and skill development.
7. Better protection and credibility for the enterprise.

6. State benefits of registering start-ups as MSMEs.

Answer:

The main benefits of registering start-ups as MSMEs are:

1. It gives legal and official identity to the business.
2. It improves trust among banks, customers and suppliers.
3. It helps start-ups get loans more easily.
4. It gives access to various government schemes, subsidies and support programmes.
5. It helps in participating in government procurement and tenders.
6. It provides support for skill development, quality certification and technology improvement.
7. It helps in solving delayed payment issues through MSME support mechanisms.
8. It supports the growth and survival of start-ups during the early stage.

7. MSME is defined under which Act?

Answer:

MSME is defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Short note:

This Act provides the legal framework for the promotion, development and competitiveness of micro, small and medium enterprises in India.

Conclusion:

MSMEs are very important for India's economy. Udyam registration helps a start-up gain recognition, support and growth opportunities. Therefore, MSME registration is highly useful for new and small businesses.

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- Small Enterprise – investment not more than Rs. 25 crore and annual turnover not more than Rs. 100 crore.
- Medium Enterprise – investment not more than Rs. 125 crore and annual turnover not more than Rs. 500 crore.

4. Why is MSME registration helpful for start-ups?

Answer:

MSME registration is helpful for start-ups because it gives official recognition and helps them access government support. It improves credibility and makes it easier to get loans, subsidies, scheme benefits and business opportunities. It also supports growth during the early stage of the business.

MSME – Handwritten Notes

5. Explain process and benefits of MSME registration.

Answer:

The process of MSME registration in India is done online through Udyam Registration. The basic steps are:

1. Visit the official Udyam Registration portal.
2. Enter Aadhaar number and verify it.
3. Complete PAN verification.
4. Fill enterprise details such as name of business, type of organization, address, bank details, main activity, and plant or unit details.
5. Enter information related to investment and annual turnover.
6. Submit the form online.
7. After successful submission, a permanent Udyam Registration Number is generated.
8. An e-certificate is issued online.

Important points:

- There is no need for renewal of Udyam Registration.
- One enterprise should have only one Udyam Registration.
- Manufacturing and service activities can both be added in one registration.

Benefits of MSME registration:

1. Official recognition as an MSME.
2. Easier access to government schemes.
3. Better chances of getting bank loans and credit support.
4. Eligibility for subsidy and incentive schemes.
5. Easier participation in government tenders and procurement.
6. Support for technology upgradation, quality improvement and skill development.
7. Better protection and credibility for the enterprise.

6. State benefits of registering start-ups as MSMEs.

Answer:

The main benefits of registering start-ups as MSMEs are:

1. It gives legal and official identity to the business.
2. It improves trust among banks, customers and suppliers.
3. It helps start-ups get loans more easily.
4. It gives access to various government schemes, subsidies and support programmes.
5. It helps in participating in government procurement and tenders.
6. It provides support for skill development, quality certification and technology improvement.
7. It helps in solving delayed payment issues through MSME support mechanisms.
8. It supports the growth and survival of start-ups during the early stage.

7. MSME is defined under which Act?

Answer:

MSME is defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

Short note:

This Act provides the legal framework for the promotion, development and competitiveness of micro, small and medium enterprises in India.

Conclusion:

MSMEs are very important for India's economy. Udyam registration helps a start-up gain recognition, support and growth opportunities. Therefore, MSME registration is highly useful for new and small businesses.

MSME – Handwritten Notes

1. What do you know about MSME?

Answer:

MSME refers to Micro, Small and Medium Enterprises. These are small business units that play an important role in production, services, exports, innovation and employment generation. In India, MSMEs support economic growth and help new entrepreneurs and start-ups build businesses with limited resources.

2. What is the full form of MSME?

Answer:

MSME stands for "Micro, Small and Medium Enterprises".

3. What are the different types of MSME?

Answer:

The different types of MSME are:

1. Micro Enterprise
2. Small Enterprise
3. Medium Enterprise

Current classification in India:

- Micro Enterprise – investment in plant and machinery or equipment not more than Rs. 2.5 crore and annual turnover not more than Rs. 10 crore.
- Small Enterprise – investment not more than Rs. 25 crore and annual turnover not more than Rs. 100 crore.
- Medium Enterprise – investment not more than Rs. 125 crore and annual turnover not more than Rs. 500 crore.

4. Why is MSME registration helpful for start-ups?

Answer:

MSME registration is helpful for start-ups because it gives official recognition and helps them access government support. It improves credibility and makes it easier to get loans, subsidies, scheme benefits and business opportunities. It also supports growth during the early stage of the business.

5. Explain process and benefits of MSME registration.

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The process of MSME registration in India is done online through Udyam Registration. The basic steps are:

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Important points:

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Benefits of MSME registration:

1. Official recognition as an MSME.
2. Easier access to government schemes.
3. Better chances of getting bank loans and credit support.
4. Eligibility for subsidy and incentive schemes.
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6. Support for technology upgradation, quality improvement and skill development.
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6. State benefits of registering start-ups as MSMEs.

Answer:

The main benefits of registering start-ups as MSMEs are:

1. It gives legal and official identity to the business.
2. It improves trust among banks, customers and suppliers.
3. It helps start-ups get loans more easily.
4. It gives access to various government schemes, subsidies and support programmes.
5. It helps in participating in government procurement and tenders.
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Conclusion:

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Start-up Funding - Handwritten Notes

1. What are Venture Capital Funds?

Venture Capital Funds are investment funds that provide money to new and growing businesses which have high growth potential. These funds usually invest in start-ups that are innovative but risky. In return, the venture capitalists receive an ownership share (equity) in the business. They may also provide guidance, networking and business support.

2. Write short note on Angel Investor.

An Angel Investor is a wealthy individual who invests personal money in a start-up at an early stage. Angel investors support new businesses when they are small and risky. They usually invest in exchange for equity ownership. Along with money, they may also give advice, experience and business contacts.

Main points:

- invests personal funds
- supports early-stage start-ups
- takes high risk
- expects future return
- may provide mentorship

3. Write short note on Venture Capital Fund.

A Venture Capital Fund is a professionally managed fund that invests in start-ups and small businesses with strong growth potential. It collects money from investors and invests in promising ventures. Venture capital funds usually invest larger amounts than angel investors and often help the business grow faster.

Main features:

1. Invests in high-growth businesses
2. Provides equity capital
3. Takes calculated risk
4. Helps in expansion and scaling
5. Offers strategic guidance

Start-up Funding - Handwritten Notes

4. What are different ways by which a start-up business can raise capital?

A start-up business can raise capital through different sources depending on its stage and needs. The common ways are:

1. Personal savings of the founder
2. Family and friends
3. Bootstrapping from business earnings
4. Angel investors
5. Venture capital funds
6. Bank loans and financial institutions
7. Crowdfunding
8. Government schemes and grants
9. Incubators and accelerators
10. Trade credit from suppliers

5. Discuss why funding options are available for start-ups.

Funding options are available for start-ups because new businesses usually need money for starting and growing operations. A start-up may require funds for product development, buying equipment, hiring employees, marketing, working capital, research, and expansion. Since every start-up is different in size, risk and growth stage, different funding options are available to meet different needs.

Main reasons:

- start-ups have limited own capital
- they face high initial expenses
- they need support for innovation and growth
- different stages need different types of finance
- some businesses need equity, while others prefer loans
- outside funding helps scale the business faster

Start-up Funding - Handwritten Notes

6. What is equity capital?

Equity capital is the money invested in a business by its owners or shareholders in exchange for ownership. The investor becomes a part-owner of the business and shares its profit and risk. In start-ups, equity capital often comes from founders, angel investors or venture capitalists.

Main points:

- gives ownership in the business
- no fixed repayment obligation
- investors expect profit or capital gain
- useful for high-growth start-ups

7. What is debt capital?

Debt capital is the money borrowed by a business from banks, financial institutions or other lenders. This money must be repaid after a certain period, usually with interest. In debt capital, the lender does not get ownership in the business.

Main points:

- borrowed money
- repayment is compulsory
- interest has to be paid
- lender has no ownership right

8. What is bootstrapping?

Bootstrapping means starting and running a business using the entrepreneur's own money and the income generated by the business, with very little outside financial help. It helps the founder keep full control over the business, but growth may be slower because funds are limited.

Main points:

1. uses personal savings and internal earnings
2. reduces dependence on outside investors
3. keeps full ownership and control
4. suitable in the early stage of business
5. may limit fast expansion

Conclusion: Start-ups can raise money through many sources such as equity, debt and bootstrapping. The best source depends on the nature, size and growth stage of the business.